REPORT

OF THE

BOARD OF DIRECTORS

OF THE

MICHIGAN CENTRAL

RAILROAD COMPANY,

TO THE STOCKHOLDERS,

FOR THE

YEAR ENDING DECEMBER 31ST, 1885.

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DETROIT:
JOHN F. EBY & CO., BOOK AND JOB PRINTERS.
1886.

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ORGANIZATION.

DECEMBER 31ST, 1885.

DIRECTORS.

CORNELIUS VANDERBILT,
NEW YORK CITY.

CHAUNCEY M. DEPEW,
NEW YORK CITY.

SAMUEL F. BARGER,
NEW YORK CITY.

HENRY B. LEDYARD,
DETROIT, MICH.

WM. K. VANDERBILT,
NEW YORK CITY.

EDWIN D. WORCESTER,
NEW YORK CITY.

ASHLEY POND,
DETROIT, MICH.

WILLIAM L. SCOTT,
ERIE, PENN.

ONE VACANCY.

OFFICERS.

CHAIRMAN,
CORNELIUS VANDERBILT.

VICE PRESIDENT,
EDWIN D. WORCESTER.

TREASURER,
HENRY PRATT.

PRESIDENT,
HENRY B. LEDYARD.

SECRETARY,
EDWIN D. WORCESTER.

GENERAL MANAGER,
HENRY B. LEDYARD.

AUDITOR,
D. A. WATERMAN.

GENERAL OFFICES.

NEW YORK CITY, GRAND CENTRAL DEPOT.
DETROIT, MICH., FOOT OF THIRD STREET.
CHICAGO, ILL., ADAMS EXPRESS BUILDING.

ANNUAL MEETING.

THURSDAY FOLLOWING THE FIRST WEDNESDAY IN MAY.

Stock Transferred, Grand Central Depot, New York.
Coupons paid by Union Trust Company, New York.

REPORT.

NEW YORK, April 1st, 1886.

The following report of the Company's business, its property and affairs, for the year ending December 31st, 1885, is respectfully submitted:

ROAD OPERATED.

MAIN LINE:	Miles.
Michigan Central system	1,077 86
Canada Southern system	436 65
Total miles	1,514 51

Of the above, 120.93 miles are double track, and there are in addition 536.71 miles of side track, aggregating a total of 2,172.15 miles, 1,870.32 of which are laid with steel.

CAPITAL STOCK.

The Capital Stock remains unchanged; it is $18,738,204.

FUNDED DEBT.

The following changes have occurred in the Funded Debt: The First Mortgage Bonds of the Jackson, Lansing & Saginaw Railroad Company, guaranteed by this Company, of which $1,106,000 were issued May 26th, 1865, and $171,000 April 1st, 1867, aggregating $1,277,000, and which became due July 1st, 1885, were paid at maturity from the proceeds of the land sales of the Jackson, Lansing &

Saginaw Company, thus reducing the annual interest payments of this Company $102,160.

The total amount of the Funded Debt of this Company proper remains unchanged. It aggregates $15,976,000, as shown in detailed table on page 18.

CONSTRUCTION.

The expenditures for this account have been as follows:

For land at Detroit	$7,400 00
For land at East Saginaw	5,217 00
For land at Saginaw City	2,500 00
For land at Vassar	55 00
For cost of the Saginaw Bay & Northwestern Railroad*	175,000 00
Total	$190,172 00
Deduct for land sold	237 50
Net increase in the account	$189,934 50

* The Saginaw Bay & Northwestern Railroad is 62.89 miles in length, and runs through extensive lumber regions. It is a valuable feeder to the main line, which has already derived from the traffic it has brought an amount exceeding its cost.

There has also been expended for this account on the Canada Southern system, but which appears only on that company's books, the following:

For land at Windsor	$23,182 38
For land at Springwells	1,900 00
For land at St. Thomas	1,275 00
Total	$26,357 38

EARNINGS.

The gross earnings are as follows:

	1885.	1884.
From freight	$6,906,207 05	$7,620,887 14
" passengers	3,162,342 30	3,464,559 75
" mail	226,469 31	207,872 13
" express	319,826 73	292,944 52
" miscellaneous	92,549 36	72,813 56
Total	$10,707,394 75	$11,659,077 10

The decrease in freight earnings of $715,000 (09.38 per cent.) is wholly attributable to the reduction in rates, there being an increase in the total tonnage of 95,000 tons; the rate per ton per mile decreased from 0.646 to 0.560, or 0.086 of one cent per ton, which apparently very small reduction has resulted in a loss of revenue amounting to over $1,050,000.

The decrease in passenger earnings of $302,000 (08.72 per cent.) is due in part to the reduction in the rate per passenger per mile, viz.: from 2.101 to 2.033, a difference of 0.068, and partly to a decrease of 241,000 in the total number of passengers moved.

The mail, express and miscellaneous earnings each show a fair increase, aggregating $65,000. It is hoped this advance will prove to be a permanent one.

EXPENSES.

The operating expenses have been as follows:

	1885.	1884.
Operating expenses	$7,748,282 74	$8,695,258 64
Taxes	266,320 74	263,873 76
Expenses and taxes	$8,014,603 48	$8,959,132 40

A reduction from the previous year of $944,500, or 10.53 per cent.

Included in expenses are the following items:

6,650 tons of new steel.
Ballasting 95 miles of track.
525,000 new cross ties.
139 miles of new fence.
31 miles of new side track.
Stone arch and earth work, Big Creek.
New freight and passenger houses at South Bend.
New passenger house at Niagara Falls.
New water tanks, with pumps, etc., at Chicago, Marshall and Iona.

RESULTS.

The result of the year's business is as follows:

Gross earnings from traffic	$10,707,394 75
Operating expenses and taxes	8,014,603 48
Net earnings	$2,692,791 27
Interest and rentals	2,666,752 93
Residue	$26,038 34
Paid Canada Southern Railway one-third of the residue, as per agreement	8,679 45
Net revenue from traffic	$17,358 89
Income from investments	72,216 50
Surplus	$89,575 39

The unfavorable conditions attending the operation of the road during 1884 were practically unchanged in 1885.

The usual statistics, with balance sheet, reports, etc., appear in their accustomed place.

C. VANDERBILT,
Chairman.

H. B. LEDYARD,
President.

On the 8th day of December, 1885, died WILLIAM H. VANDERBILT.

Mr. Vanderbilt's connection with this Company, and with a large number of the leading railroads of the country, is known. At a joint meeting of the Boards of Directors of a number of these Companies the following minute was adopted, to be entered upon the records of each:

The Directors of the New York Central & Hudson River; the New York & Harlem; the Lake Shore & Michigan Southern; the Michigan Central; the Canada Southern; the Chicago & North Western; the Chicago, St. Paul, Minneapolis & Omaha; the New York, Chicago & St. Louis, and the Cleveland, Columbus, Cincinnati & Indianapolis Railroad Companies, assembled together upon the announcement of the death of William H. Vanderbilt, who for so many years has had a controlling voice in their management, direct that the following expression of their regard for the man and respect for his character and life, be entered at length as an enduring memorial upon the records of their respective Companies:

His sudden death, in the very midst of the activities whose influence reached over the continent, has startled the whole country, and in the hush of strife and passions the press and public give tender sympathy to the bereaved family, and pay just and deserving tribute to his memory. But to us who were his associates and friends, endeared to him by the strongest ties and years of intimacy, the event is an appalling calamity, full of sorrow and the profoundest sense of personal loss; while officially we feel that his sagacity, his strong common sense, his thorough knowledge of the business, his willingness to lend of his vast resources in times of peril, and his counsel and assistance were of invaluable and incalculable service in conducting and sustaining these great enterprises.

He came into the possession of the largest estate ever devised to a single individual, and has administered the great trust with modesty, without arrogance, and with generosity. He never used his riches as a means of oppression, or to destroy or injure the enterprises or business of others, but it constantly flowed into the enlargement of old and the construction and development of new works, semi-public in their character, which opened new avenues of local and national wealth, and gave opportunity and employment, directly and indirectly, to millions of people. In keeping together and strengthening during a period of unparalleled commercial depression and disintegration the combination of railways known as the Vanderbilt System, which he inherited from his father, greatly extended, and transmitted to trained and worthy successors, he performed a work of the highest beneficence to the investors and producers of the whole country.

None of his accumulations were derived from his injustice to others, from conspiracies against associates, from crushing out the weak, but the humblest stockholder shared in equal proportion in whatever benefited the common property.

But it is not alone for his sense, judgment and justice in the vast business with which he was connected that he will be remembered. His many and unostentatious charities are known only to the beneficiaries, but the Vanderbilt University, the Egyptian Obelisk in the Central Park, and the Medical College in New York, will remain among the enduring monuments of his public spirit. When he had gathered in his galleries the largest and best collection of modern art in the world, it was his greatest gratification to invite the public to enjoy in equal measure with himself these priceless treasures.

To the employees of his railroads he was exacting in discipline and the performance of duty. He was merciless to negligence or bad habits in a vocation where millions of lives were dependent upon alertness and fidelity. But within these limits he was a just and generous employer and superior officer. He knew how to reward faithfulness and remember good conduct, and always held the respect and allegiance of the vast bodies of men who called him chief. The successful administration of the railways under his management and the affairs of his life were largely due to his rare knowledge of men, and his ability to recognize the qualities needed in the control of great trusts.

With all the temptations which surround unlimited wealth his home-life was simple, and no happier domestic circle could anywhere be found. The loved companion with whom he began his active life in the first dawn of his manhood was his help, comfort and happiness through all his career, and his children have one and all honored their father and their mother, and taken the places which they worthily fill in their several spheres of activity and usefulness.

In performing this last and saddest of duties, we, who were his associates, advisers and friends, remember not the millionaire, but the man. His frankness, his unaffected simplicity, his deference to the opinions of others, his consideration for the feelings of all, his tenderness in suffering and affliction, and whole-hearted manliness, were to us precious privileges in his life, and are loving recollections in his death.

STATISTICS.

Locomotive Department.

Miles Run by Locomotives:

Passenger trains	3,542,637
Freight trains	6,207,354
Working trains	293,514
Switching	2,872,966
Total	12,916,471

Cost per Mile Run:

Repairs	cents.	2.98
Service	"	5.24
Fuel	"	6.88
Oil and Waste	"	.24
Total	"	15.34

Fuel Consumed by Locomotives:

Coal—428,673 tons, at $2.03 per ton	$871,330 07
Wood—8,739 cords, at $2.00 per cord	17,479 00
Total	$888,809 07
Miles run per ton of coal	29.53

Locomotives Performing Service:

Owned by this Company	271
Owned by the Canada Southern Railway	125
Total	396

All are coal burners.

The cost of maintenance was $385,279.28, or an average of $972.93 per locomotive, each making a mileage of 32,618 miles, and includes the following items of renewal:

Engines receiving heavy repairs	177
New steel fire boxes	3
New tires	239
New driving wheels	31
New driving wheel axles	42
New truck and tender wheels	3,176
New truck and tender axles	601
New sets flues	9
New engine trucks	2
New tender frames	9
New tender trucks	8

CAR DEPARTMENT.

PASSENGER EQUIPMENT.

	M. C. R.	C. S. R.	Total.
First class cars	80	37	117
Second class and smoking cars	41	21	62
Baggage cars	20	....	20
Baggage and mail cars	20	7	27
Baggage and express cars	8	20	28
Mail and express cars	8	2	10
Postal cars	6	...	6
Dining cars	5	2	7
Paymaster's car	1	....	1
Total	189	89	278

FREIGHT EQUIPMENT.

Box cars	4,621	2,328	6,949
Stock cars	1,008	158	1,166
Platform cars	2,093	424	2,517
Coal cars	539	69	608
Oil cars	.....	40	40
Dump cars	30	.....	30
Way cars	161	95	256
Boarding cars	15	8	23
Tool cars	25	10	35
Logging trucks	95	.....	95
Total	8,587	3,132	11,719
Total car equipment	8,776	3,221	11,997

The equipment, as above enumerated, was maintained at the following cost:

Passenger cars.....$232,853 42

Freight cars..... 476,100 57

and includes the following items:

BUILT NEW—Baggage cars	3
Combination cars	1
REBUILT—First class passenger cars	12
Dining cars	1
Freight cars	209
NEW WHEELS—Iron	17,046
Paper	76
NEW AXLES	2,127

TRACK DEPARTMENT.

MAIN LINE.

		Miles of Road.
MICHIGAN CENTRAL—		
Kensington to Detroit	270.07	
CANADA SOUTHERN—		
Windsor to Suspension Bridge, N. Y.	226.18	
Total Main Line		496.25

BRANCHES.

MICHIGAN AIR LINE RAILROAD—		
Jackson to South Bend	115.16	
JOLIET & NORTHERN INDIANA RAILROAD—		
Lake to Joliet	45.00	
GRAND RIVER VALLEY RAILROAD—		
Rives Junction to Grand Rapids	83.79	
JACKSON, LANSING & SAGINAW RAILROAD—		
Jackson to Mackinaw City	295.10	
KALAMAZOO & SOUTH HAVEN RAILROAD—		
Kalamazoo to South Haven	39.50	
DETROIT & BAY CITY RAILROAD—		
Bay City Junction to Bay City	109.00	
Lapeer Junction to Five Lakes	8.75	
Denmark Junction to Saginaw	16.75	
Caro Junction to Caro	12.75	
Bay City Street Railway (leased)	5.10	
	152.35	
SAGINAW BAY & NORTHWESTERN RAILROAD—		
Pinconning Bay, west into woods (includes Branches)	62.89	
TOLEDO, CANADA SOUTHERN & DETROIT RAILWAY—		
Springwells to Canada Southern Junction	55.87	
CANADA SOUTHERN BRIDGE COMPANY—		
Slocum Junction to Stony Island	3.66	
MICHIGAN MIDLAND & CANADA RAILWAY—		
Ridgeway to St. Clair	14.68	
CANADA SOUTHERN RAILWAY—		
Amherstburg to Essex Centre	15.70	
St. Clair Junction to Courtright	62.63	
Oil City to Oil Springs	2.83	
Welland Junction to Fort Erie	17.50	
	98.66	
SARNIA, CHATHAM & ERIE RAILWAY—		
Petrolia Junction to Petrolia	7.00	
ERIE & NIAGARA RAILWAY—		
Niagara to Old Fort Erie	30.60	
Total Branches		1,004.26
Total Miles of Road		1,500.51

SECOND TRACK.

MICHIGAN CENTRAL—		
Between Kensington and Detroit	89.00	
CANADA SOUTHERN—		
Between Windsor and Suspension Bridge	30.93	
JACKSON, LANSING & SAGINAW—		
Lansing to North Lansing	1.00	
Total Second Track		120.93

SIDE TRACKS.

MICHIGAN CENTRAL SYSTEM	384.02	
CANADA SOUTHERN SYSTEM	152.69	
Total Side Tracks		536.71
Total Miles of Single Track	Steel.... 1,870.32 Iron 287.83	2,158.15

EARNINGS AND EXPENSES.

1884.	EARNINGS.	1885.
$7,620,887 14	Freight	$6,906,207 05
3,464,559 75	Passenger	3,162,342 30
207,872 13	Mail	226,469 31
292,944 52	Express	319,826 73
72,813 56	Miscellaneous	92,549 36
$11,659,077 10	Total	$10,707,394 75
	EXPENSES.	
$162,832 54	Rail renewals	$111,603 03
261,889 43	Tie renewals	205,974 23
1,057,708 20	Repairs roadway and track	836,376 15
212,056 33	Repairs bridges, culverts and cattle guards	201,898 03
193,712 38	Repairs buildings and fixtures	90,403 27
31,559 11	Repairs docks	2,169 20
91,205 56	Repairs fences, road crossings and signs	92,586 10
19,060 80	Repairs machinery and tools	12,607 50
360,209 52	Repairs locomotives	385,279 28
243,950 56	Repairs passenger cars	232,853 42
447,776 46	Repairs freight cars	476,100 57
680,287 86	Locomotive service	677,252 59
170,610 28	Passenger train service	153,697 99
365,076 90	Freight train service	371,737 39
1,146,398 82	Agents and station service	1,071,545 06
46,181 22	Passenger train supplies	25,815 47
43,610 62	Freight train supplies	31,237 76
73,183 92	Station supplies	65,165 66
5,638 25	Passenger car mileage	3,590 75
460,882 95	Freight car mileage	383,357 79
207,170 22	General office salaries	209,855 24
34,758 61	Law expenses	33,740 16
121,354 18	Contingencies	107,843 47
209,060 14	Telegraph expenses	208,914 66
67,475 86	Stationery and printing	55,673 72
281,515 62	Outside agencies and advertising	212,343 16
981,778 71	Fuel for locomotives	888,809 07
78,436 06	Oil and waste	60,659 14
64,451 85	Water supply	49,433 52
42,515 85	Damage and loss of freight and baggage	18,038 17
8,081 09	Damage to property, including live stock	7,904 47
39,013 11	Personal injuries	41,701 47
2,587 47	Insurance	7,313 34
309,735 06	Track rental and terminals	275,725 17
20,813 68	Custom house fees	15,233 16
64,116 09	Detroit river crossing	56,297 07
56,179 24	International bridge tolls	43,993 45
3,494 70	Niagara bridge tolls	
28,889 39	Repairs ferry boats	23,553 06
$8,695,258 64	Total	$7,748,282 74
263,873 76	Taxes	266,320 74
$8,959,132 40	Total, including Taxes	$8,014,603 48
$2,699,944 70	**NET EARNINGS.**	$2,692,791 27
	PER CENT. OF EXPENSES TO EARNINGS.	
76.84	Including taxes	74.85
74.58	Excluding taxes	72.36

FREIGHT STATISTICS.

	1885.				1884.			
	Tons moved.	Tons moved one mile.	Rate per ton per mile. Cents.	Earnings.	Tons moved.	Tons moved one mile.	Rate per ton per mile. Cents.	Earnings.
THROUGH:								
Eastward	942,419	433,102,980	0.353	$1,529,314 13	876,933	389,241,610	0.418	$1,628,312 78
Westward	565,138	273,668,498	0.313	856,388 59	569,328	265,207,270	0.433	1,147,320 53
Total	1,507,557	706,771,478	0.338	$2,385,702 72	1,446,261	654,448,880	0.424	$2,775,633 31
LOCAL	3,728,719	525,706,056	0.860	4,520,504 33	3,695,336	524,744,947	0.923	4,845,253 83
TOTAL	5,236,276	1,232,477,534	0.560	$6,906,207 05	5,141,597	1,179,193,827	0.646	$7,620,887 14
Increase	94,679	53,283,707						
Decrease			0.086	$714,680 09				

PASSENGER STATISTICS.

	1885.				1884.			
	Passengers moved.	Passengers moved one mile.	Rate per passenger per mile. Cents.	Earnings.	Passengers moved.	Passengers moved one mile.	Rate per passenger per mile. Cents.	Earnings.
THROUGH:								
Eastward	45,445	22,765,860	1.521	$346,211 10	38,962	19,884,181	1.816	$361,178 13
Westward	39,288	20,472,963	1.350	276,400 73	38,204	19,383,980	1.778	344,673 45
Emigrant	1,239	661,736	0.456	3,019 75	15,892	7,983,358	0.782	62,418 90
Total	85,972	43,900,559	1.425	$625,631 58	93,058	47,251,519	1.626	$768,270 48
LOCAL	2,254,271	111,673,430	2.272	2,536,710 72	2,488,014	117,657,141	2.292	2,696,289 27
TOTAL	2,340,243	155,573,989	2.033	$3,162,342 30	2,581,072	164,908,660	2.101	$3,464,559 75
Increase								
Decrease	240,829	9,334,671	0.068	$302,217 45				

FUNDED DEBT, INTEREST, RENTS, ETC.

FUNDED DEBT.

DESCRIPTION.	DATE OF ISSUE.	DATE OF MATURITY.	AMOUNT.
THIS COMPANY'S BONDS.			
Michigan Central Air Line Mortgage	Jan. 1, 1870	Jan. 1, 1890	$1,900,000 00
Consolidated (first) Mortgage	May 1, 1872	May 1, 1902	8,000,000 00
Consolidated (first) Mortgage (five per cents.)	Nov. 1, 1882	May 1, 1902	2,000,000 00
Grand River Valley General Mortgage	Sept. 1, 1879	Sept. 1, 1909	500,000 00
Detroit & Bay City First Mortgage	Mar. 1, 1881	Mar. 1, 1931	3,576,000 00
Total			$15,976,000 00
LEASED LINE BONDS.			
Michigan Air Line Mortgage	Oct. 10, 1870	Nov. 1, 1890	$200,000 00
Grand River Valley Mortgage	Oct. 1, 1866	July 1, 1886	1,000,000 00
Grand River Valley Rental			
Kal. & South Haven First Mortgage	Nov. 1, 1869	Nov. 1, 1889	640,000 00
Kal. & South Haven Second Mortgage	Nov. 1, 1870	Nov. 1, 1890	70,000 00
Jackson, Lansing & Saginaw Consol. Mortgage	Aug. 31, 1871	Sept. 1, 1891	1,943,000 00
Jackson, Lansing & Saginaw Nor'n Extension	Mar. 1, 1881	Sept. 1, 1891	1,100,000 00
Jackson, Lansing & Saginaw Rental			
Jackson, Lansing & Saginaw Expenses			
Joliet & Northern Indiana Rental			
Total			$4,953,000 00
GUARANTEED BONDS.			
Detroit & Bay City	May 1, 1872	May 1, 1902	$274,000 00
Detroit & Bay City (Bridge)	May 1, 1873	May 1, 1903	150,000 00
Total			$424,000 00
Total, Michigan Central			$21,353,000 00
CANADA SOUTHERN BONDS.			
First Mortgage	Jan. 1, 1878	Jan. 1, 1908	$14,000,000 00
Second Mortgage	Feb. 15, 1883	Mar. 1, 1913	6,000,000 00
Total, Canada Southern			$20,000,000 00
GRAND TOTAL			$41,353,000 00

FUNDED DEBT, INTEREST, RENTS, ETC.

INTEREST AND RENTS PAYABLE.

RATE.	AMOUNT.	Jan. 1st.	Mar. 1st.	May 1st.	June 1st.	July 1st.	Sept. 1st.	Nov. 1st.	Dec. 1st.
8 %	$152,000 00	76,000 00	.....	.....	.....	76,000 00	.....	.....	.....
7 %	560,000 00	.....	.....	280,000 00	.....	.....	.....	280,000 00	.....
5 %	100,000 00	.....	.....	50,000 00	.....	.....	.....	50,000 00	.....
6 %	30,000 00	.....	15,000 00	.....	.....	.....	15,000 00	.....	.....
5 %	178,800 00	.....	59,712 50	.....	29,687 50	.....	59,712 50	.....	29,687 50
.....	$1,020,800 00								
8 %	$16,000 00	.....	.....	8,000 00	.....	.....	.....	8,000 00	.....
8 %	80,000 00	40,000 00	.....	.....	.....	40,000 00	.....	.....	.....
.....	24,560 00	12,280 00	.....	.....	.....	12,280 00	.....	.....	.....
8 %	51,200 00	.....	.....	25,600 00	.....	.....	.....	25,600 00	.....
8 %	5,600 00	.....	.....	2,800 00	.....	.....	.....	2,800 00	.....
8 %	155,440 00	.....	77,720 00	.....	.....	.....	77,720 00	.....	.....
6 %	66,000 00	.....	33,000 00	.....	.....	.....	33,000 00	.....	.....
.....	70,000 00	.....	35,000 00	.....	.....	.....	35,000 00	.....	.....
.....	750 00	.....	375 00	.....	.....	.....	375 00	.....	.....
.....	89,000 00	Jan. 10th. 44,500 00	.....	.....	.....	July 10th 44,500 00	.....	.....	.....
.....	$558,550 00								
8 %	$21,920 00	.....	.....	10,960 00	.....	.....	.....	10,960 00	.....
8 %	12,000 00	.....	.....	6,000 00	.....	.....	.....	6,000 00	.....
.....	$33,920 00								
.....	$1,613,270 00	172,780 00	220,807 50	383,360 00	29,687 50	172,780 00	220,807 50	383,360 00	29,687 50
5 %	$692,922 08	346,461 04	.....	.....	.....	346,461 04	.....	.....	.....
5 %	255,000 00	.....	127,500 00	.....	.....	.....	127,500 00	.....	.....
.....	$947,922 08	346,461 04	127,500 00	.....	.....	346,461 04	127,500 00	.....	.....
.....	$2,561,192 08	519,241 04	348,307 50	383,360 00	29,687 50	519,241 04	348,307 50	383,360 00	29,687 50

HENRY PRATT,
Treasurer.

Condensed Balance Sheet.

Construction Accounts:		
Main Line	$30,870,604 16	
Leased Lines	5,195,467 93	
Proprietary Lines	3,791,322 02	
		$39,857,394 11
Investments		513,503 02
Fuel and Supplies		401,232 69
Accounts Receivable		596,578 24
Cash Assets:		
Uncollected earnings	$484,723 46	
Cash	692,524 32	
		1,177,247 78
		$42,545,955 84

Capital Stock		$18,738,204 00
Bond Accounts:		
Air Line	$1,900,000 00	
Consolidated 7 per cents	8,000,000 00	
Consolidated 5 per cents	2,000,000 00	
Grand River Valley	500,000 00	
Detroit & Bay City	3,576,000 00	
		15,976,000 00
Accounts Payable		1,907,539 77
Income Account:		
To January 1st, 1879	$5,007,343 66	
From January 1st, 1879	916,868 41	
		5,924,212 07
		$42,545,955 84

HENRY PRATT,
Treasurer.

Income Account.

1885.			1885.		
Dec. 31.	Operating Expenses..... $8,014,603 48		Dec. 31.	Balance from 1884	$827,293 02
	Interest—Main Line..... 660,000 00			Freight Earnings $6,906,207 05	
	Interest—Leased Lines.... 871,120 00			Passenger Earnings..... 3,162,342 30	
	Rental—Leased Lines..... 184,310 00			Mail Earnings..... 226,469 31	
	Interest—Can. South'n ... 951,322 93			Express Earnings..... 319,826 73	
		$10,681,356 41		Miscellaneous Earnings.... 92,549 36	
	Can. Southern R'y, as per agreement, one-third of net income	8,679 45			10,707,394 75
				Interest and Dividends from Investments	72,216 50
	Balance	916,868 41			
		$11,606,904 27			$11,606,904 27

HENRY PRATT,
Treasurer.

REPORT

OF THE

LAND COMMISSIONER

OF THE

JACKSON, LANSING & SAGINAW RAILROAD COMPANY.

LANSING, MICH., Jan. 31st, 1886.

MR. HENRY B. LEDYARD,
PRESIDENT MICHIGAN CENTRAL RAILROAD,
DETROIT, MICH.:

DEAR SIR—I respectfully submit herewith my annual statement of the business of the Land Department of this Company for the year ending December 31st, 1885:

LANDS AND SALES.

LANDS.	Acres.	Amount.
Unsold January 1st, 1885, according to patents	317,126.84	
Sold during the year	5,935.68	
Unsold at the close of the year	311,191.16	
SALES.		
Lands		42,657 18
Timber		55 202 64
Total		97,859 82

The sales for the last five years are as follows:

	1881.	1882.	1883.	1884.	1885.
Acres sold	45,667	30,573	12,258	3,872	5,936
Average per acre	$14 14	$13 49	$7 24	$4 72	$7 19
Land sales	$645,953 41	$412,562 77	$88,824 69	$18,288 08	$42,657 18
Timber sales	112,690 50	89,106 95	16,515 00	5,609 00	55,202 64
Total sales	$758,643 91	$501,669 72	$105,339 69	$23,897 08	$97,859 82

RECEIPTS.

Cash on hand January 1, 1885		
From Payments on Land Contracts and Sales	$185,127 63	
From Interest	34,047 71	
Trespass	387 00	
Total		$219,562 34

DISBURSEMENTS.

Lansing National Bank Overdraft January 1st, 1885	$3,810 13	
Deposited with Detroit National Bank of Detroit, to the credit of James F. Joy and John N. Dennison, Trustees.	168,257 74	
For Taxes	23,601 43	
For Salaries	7,183 26	
For Advertising and Explorations	1,207 24	
Miscellaneous	1,876 39	
Cheboygan tax (unadjusted)	6,868 32	
Cash on hand December 31st, 1885	6,757 83	
Total		$219,562 34

ASSETS OTHER THAN LANDS UNSOLD.

Amount due on Land Contracts	$308,865 15
Bills Receivable	1,588 15
Joy and Dennison, Trustees	551,136 39
Total	$861,589 69

TRUSTEES' REPORT.

On the 1st of July last the outstanding First Mortgage Bonds of the Company, twelve hundred and fifty-nine in number, fell due, and were paid by the Trustees out of Land Funds in their hands.*

The account with the Trustees is as follows:

To Balance, December 31st, 1884	$1,481,463 62	
Cash during the year 1885	168,257 74	
Interest received on Land Fund up to July 1st, 1885, as reported by Trustees	217,733 62	
Total		$1,867,454 98

* There were outstanding of these bonds, twelve hundred and seventy-seven, for which payment was provided by the Trustees; but up to the time of rendering their report, eighteen had not been presented.

CONTRA.

By 1259 First Mortgage Bonds	$1,259,000 00	
Bond Interest and Premium Paid	29,881 27	
Trustees' Expenses	27,437 32	
Balance in hand	551,136 39	
Total		$1,867,454 98

It will be seen that the fund earned while in the hands of the Trustees, up to July 1st, 1885, $217,733.62, and that all expenses of the Trustees, up to and including the payment of the Bonds, had been $27,437.32.

It will also be seen that the business of the Department has been better this year than it was last, more lands having been sold, and higher prices obtained.

O. M. BARNES,
Land Commissioner.